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SUBJECT: OPPOSITION LEADER RESIGNS

¶1. SUMMARY AND COMMENT: Former Prime Minister Ivica Racan resigned April 11 as president of the Social Democratic Party (SDP), Croatia's largest opposition party, due to health reasons. After weeks of increasingly bleak cancer diagnoses, his departure is not unexpected, but coming just seven months before expected parliamentary elections with no heir apparent, we can also expect serious party soul-searching in the coming weeks as prominent SDPers ponder Racan's successor both as party president and as candidate for prime minister. Top candidates include SDP Deputy President Zeljka Antunovic, party economic strategist Ljubo Jurcic, executive board member Zoran Milanovic, and Zagreb Mayor Milan Bandic. END SUMMARY AND COMMENT.

RACAN LEAVES SELECTION OF SUCCESSOR TO PARTY

¶2. In his letter of resignation -- which he handed to his closest associates in the Zagreb hospital where he is receiving cancer treatment -- Racan asked the party to continue without him, urging them to call an elective convention and "look for new strength" there. Contrary to expectations that he would perhaps nominate his successor, Racan left the choice to the party, a move acclaimed in the media as the most democratic option.

¶3. Hours after Racan's decision, Deputy President Antunovic announced she would ask the SDP Main Committee to call an extraordinary elective convention. The Committee is expected to set the date for the convention at its next meeting on April 21. SDP bylaws require that the new leader should be elected within 90 days of the former party president's resignation.

¶4. The highest-ranking SDP parliamentarian, Deputy Speaker Mato Arlovic, told the Embassy the upcoming convention should fall some time in June and will not seek to elect the entire party leadership, but only the president. Antunovic's position as Deputy President may also be put up for election, too, if she runs for the presidency, which is to be expected. Arlovic also explained that a "full" elective convention would be held soon after the parliamentary elections expected in November, as required by the party statute.

SEARCHING FOR A FRONT RUNNER

¶5. COMMENT: There have been no official candidacies for Racan's successor, but four names are floating in the media in terms of the party presidency and the SDP prime ministerial candidate. Antunovic, who is leading the party in this transitional period, is an obvious guess, though the SDP's economic strategist Jurcic told the Ambassador April 12 that he doubted she had the necessary support within the party. Many in the media think she can win the party's rank

and file but the question whether she would be an adequate match for the SDP's chief rival, Prime Minister and HDZ President Ivo Sanader.

¶6. Jurcic, who was minister of economy in the last half of Racan's 2000-2003 government, has been unofficially promoted as the party's candidate for Prime Minister, but only recently applied for SDP membership. This perhaps made sense while Racan was in effective control of the party: Party President Racan giving political support to non-party "technical" Prime Minister Jurcic. But now that Racan is out of the formula, Jurcic's position is changing. Barely a member, he cannot run for party presidency, and if some other party heavyweight becomes president, they are likely to want the premiership for themselves.

¶7. Racan used the word "new strength" in his letter. Some observers interpret it as his suggestion that the party look for a wholly new leader. Media immediately turned to SDP's "young lion" Zoran Milanovic, member of the executive board and widely considered the party's foreign affairs expert. Milanovic declined to comment. However, his election as president would indeed open the door wider for Jurcic's candidacy as Prime Minister.

¶8. And finally, Zagreb Mayor Milan Bandic -- SDP's powerful freelancer)- is a name often seen. This is perhaps more because of his influence as Mayor of Zagreb than because the party would want him for its president. END COMMENT.
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